

Research

ASSESSING GHANA'S DEVELOPMENT EXPERIENCE

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The efforts of developing countries are being subjected to scrutiny as never before, and the help they may expect from developed countries is increasingly dependent on what conclusions the latter reach about the performance of the former. This heightened interest would be welcome as a positive contribution to increased efficiency in aid use and development if the assumptions and criteria on which assessment of performance is founded reflected a sensitivity to the needs of the recipients. It is abundantly clear, however, that current practices are rudimentary in concept, and cannot be relied on. As a first step they could be improved by drawing on the already substantial body of research on the development process and the effects of external resources in moulding that process.

The most important single weakness in present performance assessments is the practice of taking general criteria, borrowed from developed economies, and applying them to developing countries without due regard to political, social, cultural and institutional differences and to the possibility that aspirations (and indeed the meaning of 'development') may differ from place to place.

The ODI study on Ghana tries to assess development performance in that country from a local angle. In this way it is hoped to pinpoint some specific shortcomings in currently used performance criteria, and show the implications on, a) recipient/donor relations, and,

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b) recipient policies. More specifically, the study tackles the following six questions. What objectives did Ghana set itself at the onset of internal self-rule, and why? How realistic were these objectives, given Ghana's circumstances from 1951 onwards? How well did it do in furthering these objectives? How far would Ghana's policies have had to be modified for them to conform to accepted Western norms of sound performance? Would this have required a change in development objectives as opposed to mere changes in techniques? If Ghana had moved closer to donor thinking earlier (it did after the 'coup') what overall effect would this have had, especially if aid had been forthcoming?

ODI had previously looked at aid operations in Uganda and Tunisia. Both studies brought out some of the pitfalls of too much donor orientation in aid policy and development thinking. The choice of Ghana for extending the scope of the inquiry may at first sight appear surprising. Ghana's economy under Nkrumah has been almost unanimously written off as an unmitigated mess, and it received very little official aid from Western donors. These apparent disadvantages turn out in practice to be advantages from the research stand-point. Because of the near unanimity of views on Ghana it is much easier to contrast what one might call Western development orthodoxy with Ghana's chosen path. It may be more difficult to find merits in Ghana's policy by juggling performance criteria than in countries on which opinions have been more divided, but if one does, the lesson that can be learnt from this should prove more interesting. As to aid, Ghana shows that its absence can have as far-reaching repercussions as its presence. Moreover, since Ghana did receive substantial offers of aid after the overthrow of Nkrumah, it provides an opportunity for shedding light on donor policies in circumstances which present themselves only rarely.

The study sets about tackling the questions previously listed by first establishing Ghana's economic situation at the beginning of the 1950s, analysing the government's short and long-term development goals and what policy 'options' were open to it. Next the changes in policy are traced, and reasons offered for Ghana's choice of particular options. At each stage an assessment is made of the appropriateness of the choice in the light of the country's own objectives (as far as they can be established), and a tentative comparison is drawn with the hypothetical outcomes of different courses of action. Special attention is paid to Ghana's relations with potential aid donors and investors, and the development of western countries' views on aid and investment in Africa.

Many of Ghana's current problems originate in the choice of ambitious development goals in the early 1950s, when the economy was less healthy than was supposed, and persevering with these goals in increasingly difficult economic conditions. Failure to attract private investment in the fifties and Western aid in the early sixties compounded these problems. Why this happened is not easy to establish; many influences were at work and it seems that over most of them Ghana had little control. This conclusion is at odds with the generally accepted explanation, which puts the blame squarely on Ghana for discouraging investors and offending western donors, but there is enough evidence to suggest that such an explanation is too superficial. In the face of the resource shortage, and an imbalance between directly productive and long-term investments (a result of early policy decisions), continued determination to proceed with a fast development pace pushed Ghana towards state enterprise, financed largely by commercial credits and Eastern loans, often of a very dubious nature.

Whether Ghana should have turned to State enterprise or not does not appear to have been a conscious policy dilemma. The choice was rather on the pace of development; because of the critical importance of this the study seeks to isolate the factors - political, social and personal - working in favour of a maintained momentum. Once a fast pace was chosen, the state enterprise experiment looked inevitable, given sluggishness of the local private sector and the cool relations between Ghana and countries capable of supplying the lion's share of private investment and government aid.

It is tempting to conclude that Ghana would have done much better if it had received more sympathetic consideration from the West. The evidence, however, is somewhat uncertain. It suggests that Ghana would have had to pay a price for more sympathetic attention. It might have been helped to increase its efficiency in the execution of policies, but it might also have had to amend, perhaps radically, its whole strategy. It is difficult to say whether, on balance, this would have been beneficial. Ghana would certainly have been left with a more manageable debt-burden, but it would also have had to lower its rate of expenditure. The effect of closer contact with aid donors would have been to steer it to more cautious and orthodox policies; but it is very doubtful whether this is what was wanted.

Although the overall conclusions of the study on Ghana's performance are not clear-cut, they nevertheless show that what it tried to do, and did, had much more merit than is generally supposed. In this lies a lesson worth mulling over when drawing up performance criteria which are to be used as a basis for aid eligibility.